

**UNITED STATES BANKRUPTCY COURT  
IN THE  
SOUTHERN DISTRICT OF NEW YORK**

In re: DELPHI CORPORATION, et al,	)	
	)	Case No.05-44481 (RDD)
	)	
Debtors.	)	Chapter 11
	)	
	)	(Jointly Administered)
	)	

**SECRETARY OF LABOR'S RESPONSE TO THE DEBTORS'  
NINETEENTH OMNIBUS CLAIMS OBJECTION TO HER  
PROOF OF CLAIM FILED ON BEHALF OF THE  
ASEC MANUFACTURING SPONSORED EMPLOYEE BENEFIT PLANS**

Comes Now Elaine L. Chao, the Secretary of the United States Department of Labor ("Secretary"), a party in interest and claimant in these proceedings, and responds as follows to the Debtors' Nineteenth Omnibus Claims Objection to her proof of claim:

1. The Debtors objected to the Secretary's Proof of Claim filed on behalf of The ASEC Manufacturing Sponsored Employee Benefit Plans ("the ASEC Plans") on the grounds that it asserts liabilities or dollar amounts that the Debtors have determined are not identified in the books and records of Delphi Corporation ("Delphi").

2. The Secretary is charged with the enforcement of the fiduciary requirements of Title I of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §1001, *et seq.*, including the institution of actions in federal district court for injunctive relief and restitution to employee benefit plans. Under her statutory authority, the Secretary has initiated an investigation of the ASEC Plans, which the ASEC Manufacturing General Partnership sponsored and for which it is one of the named fiduciaries within the meaning of

ERISA §3(21), 29 U.S.C. §1002(21). The ASEC Plans are employee benefit plans within the meaning of ERISA §3(3), 29 U.S.C. §1002(3), which are subject to the provisions of Title I of ERISA pursuant to ERISA §4(a), 29 U.S.C. §1003(a).

3. On July 18, 2006, the Secretary filed her protective Proof of Claim and alleged in her "Attachment" thereto that she had just initiated an investigation pursuant to her statutory authority prescribed in ERISA §504, 29 U.S.C. §1134. ERISA §504 authorizes the Secretary to determine whether any person has violated or is about to violate any provision of Title I of ERISA, which includes the fiduciary standards of conduct in ERISA §404 and the prohibited transaction provisions contained in ERISA §406. See 29 U.S.C. §§1104, 1106. Pursuant to ERISA §502(a), the Secretary may bring actions to enjoin acts and practices which violate ERISA and to obtain other appropriate equitable relief to redress violations, including seeking recovery of plan losses caused by fiduciary breaches. See 29 U.S.C. §1132(a).

4. In her Attachment to the July 18, 2006 Proof of Claim, the Secretary states that she is investigating "whether the Debtor imprudently continued to invest Plan assets or allowed others to invest Plan assets in Delphi common stock." The liability asserted by the Secretary in her Proof of Claim is un-liquidated because the Secretary only recently had begun her investigation of the ASEC Plans or of its fiduciaries.

5. The Secretary has not yet completed her investigation and therefore is not in a position to reveal her findings thus far. She, in fact, filed her Proof of Claim in order to preserve her ability to seek appropriate equitable relief from the ASEC Manufacturing General Partnership once she completes her investigation.

6. It would be remarkable if the books and records in the custody of the Debtors demonstrated facially that ASEC Manufacturing General Partnership imprudently invested Plan assets and therefore violated ERISA. Issues of imprudent fiduciary conduct, however, are not the kind of liability that would be apparent from Delphi's books and records.


Wherefore, for the reasons stated, the Debtors' Objection to the Secretary's Proof of Claim should be denied.

Respectfully Submitted,

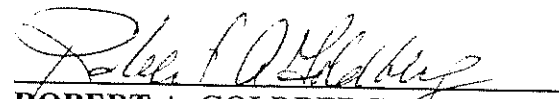
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